

November 10, 2004

Mr. James J. Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P. O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 - RE: RELEASE OF EXEMPTION
FROM THE REQUIREMENTS OF APPENDIX K AND SECTION 50.46 OF
TITLE 10 OF THE *CODE OF FEDERAL REGULATIONS* (10 CFR),
PART 50 (TAC NOS. MC3368 AND MC3369)

Dear Mr. Sheppard:

By letter dated October 19, 2004, the Commission approved the enclosed exemption from specific requirements of 10 CFR Part 50, Appendix K and Section 50.46, for South Texas Project, Units 1 and 2. This action was in response to your letter dated May 27, 2004, as supplemented by letter dated August 23, 2004, requesting an exemption from the aforementioned regulations. The exemption allows the use of up to eight lead test assemblies containing fuel rods, guide thimble tubes, and instrumentation tubes fabricated with Optimized ZIRLO™, a cladding material that contains a nominally lower tin content than the already approved ZIRLO™ material. No exemption to the requirements of 10 CFR 50.44 is necessary in this case.

The October 19, 2004, letter provided the exemption at that time, for review, to assure that any information that Westinghouse claims to be proprietary would not be inadvertently released to the general public. Our conclusions concerning the proprietary nature of your May 27, 2004, submittal are contained in a July 1, 2004, letter to Mr. J. A. Gresham, Westinghouse Electric Company. No proprietary information was identified in your letter dated August 23, 2004.

On October 26, 2004, we were informed by Mr. P. Walker, of your staff, that the exemption transmitted to you with the October 19, 2004, letter does not contain any information that Westinghouse claims to be proprietary. Accordingly, the exemption was published in the *Federal Register* on November 3, 2004 (69 FR 64113).

Sincerely,

/RA/

David H. Jaffe, Senior Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure: As stated

cc w/encl: See next page

November 10, 2004

Mr. James J. Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P. O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 - RE: RELEASE OF EXEMPTION
FROM THE REQUIREMENTS OF APPENDIX K AND SECTION 50.46 OF
TITLE 10 OF THE *CODE OF FEDERAL REGULATIONS* (10 CFR),
PART 50 (TAC NOS. MC3368 AND MC3369)

Dear Mr. Sheppard:

By letter dated October 19, 2004, the Commission approved the enclosed exemption from specific requirements of 10 CFR Part 50, Appendix K and Section 50.46, for South Texas Project, Units 1 and 2. This action was in response to your letter dated May 27, 2004, as supplemented by letter dated August 23, 2004, requesting an exemption from the aforementioned regulations. The exemption allows the use of up to eight lead test assemblies containing fuel rods, guide thimble tubes, and instrumentation tubes fabricated with Optimized ZIRLO™, a cladding material that contains a nominally lower tin content than the already approved ZIRLO™ material. No exemption to the requirements of 10 CFR 50.44 is necessary in this case.

The October 19, 2004, letter provided the exemption at that time, for review, to assure that any information that Westinghouse claims to be proprietary would not be inadvertently released to the general public. Our conclusions concerning the proprietary nature of your May 27, 2004, submittal are contained in a July 1, 2004, letter to Mr. J. A. Gresham, Westinghouse Electric Company. No proprietary information was identified in your letter dated August 23, 2004.

On October 26, 2004, we were informed by Mr. P. Walker, of your staff, that the exemption transmitted to you with the October 19, 2004, letter does not contain any information that Westinghouse claims to be proprietary. Accordingly, the exemption was published in the *Federal Register* on November 3, 2004 (69 FR 64113).

Sincerely,

/RA/

David H. Jaffe, Senior Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

Enclosure: As stated

cc w/encl: See next page

DISTRIBUTION: See attached

ADAMS Accession Number: ML043070485

OFFICE	PDIV-1/PM	PDIV-1/LA	PDIV-1(A)SC
NAME	DJaffe	DBaxley	MWebb
DATE	11/10/04	11/10/04	11/10/04

OFFICIAL RECORD COPY

DISTRIBUTION FOR LETTER TO JAMES SHEPPARD:

Dated: November 10, 2004

PUBLIC

PDIV-1 Reading

RidsNrrDlpmLpdiv (HBerkow)

RidsNrrDlpmLpdiv1 (RGramm)

RidsNrrLADBaxley

RidsNrrPMDJaffe

RidsOgcRp

GHill(4)

RidsAcrsAcnwMailCenter

RidsRgn4MailCenter (AHowell)

MMitchell

FAkstulewicz

RidsNrrDlpmDpr (SWall)

South Texas Project, Units 1 & 2

cc:

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 910
Bay City, TX 77414

C. Kirksey/C. M. Canady
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

Mr. J. J. Nesrsta
Mr. R. K. Temple
City Public Service Board
P. O. Box 1771
San Antonio, TX 78296

Mr. C. A. Johnson/ R. P. Powers
AEP Texas Central Company
P. O. Box 289
Mail Code: N5022
Wadsworth, TX 77483

INPO
Records Center
700 Galleria Parkway
Atlanta, GA 30339-3064

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011

D. G. Tees/R. L. Balcom
Texas Genco, LP
P. O. Box 1700
Houston, TX 77251

Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, TX 77414

A. H. Gutterman, Esq.
Morgan, Lewis & Bockius
1111 Pennsylvania Avenue, NW
Washington, DC 20004

Mr. T. J. Jordan, Vice President
Engineering & Technical Services
STP Nuclear Operating Company
P. O. Box 289
Wadsworth, TX 77483

S. M. Head, Manager, Licensing
STP Nuclear Operating Company
P. O. Box 289, Mail Code: N5014
Wadsworth, TX 77483

Environmental and Natural Resources
Policy Director
P. O. Box 12428
Austin, TX 78711-3189

Jon C. Wood
Cox Smith Matthews
112 East Pecan, Suite 1800
San Antonio, TX 78205

Director
Division of Compliance & Inspection
Bureau of Radiation Control
Texas Department of State Health Services
1100 West 49th Street
Austin, TX 78756

Brian Almon
Public Utility Commission
William B. Travis Building
P. O. Box 13326
1701 North Congress Avenue
Austin, TX 78701-3326

November 2004

South Texas Project, Units 1 & 2

-2-

Susan M. Jablonski
Office of Permitting, Remediation
and Registration
Texas Commission on
Environmental Quality
MC-122
P.O. Box 13087
Austin, TX 78711-3087

Mr. Terry Parks, Chief Inspector
Texas Department of Licensing
and Regulation
Boiler Division
P. O. Box 12157
Austin, TX 78711

Mr. Ted Enos
4200 South Hulen
Suite 630
Ft. Worth, Texas 76109